

5872

Notopoulos  
P.L. II

DECISION



THE COMPTROLLER GENERAL  
OF THE UNITED STATES  
WASHINGTON, D. C. 20548

FILE: I 190855 DATE: March 31, 1978  
MATTER OF: JETS Services, Inc.

DIGEST:

Protest of allegedly overstated agency estimates in solicitation for furnishing meals on requirements basis is denied where record shows estimate was based upon best information available which indicated likely increase in orders to be placed under contract for coming year.

JETS Services, Inc. (JETS) protests invitation for bids (IFB) No. DABT47-78-B-0013, issued by the Department of the Army, Fort Jackson, South Carolina, for a requirements-type contract for furnishing meals at the Armed Forces Examining and Entrance Station at Fort Jackson for calendar year 1978. JETS alleges that the meal estimates in the IFB were grossly overstated and misleading so that the Army could take advantage of unrealistically low unit prices (the contractor was to be reimbursed only for meals actually served) engendered by the high volume estimates.

Section E of the IFB originally established a monthly estimate of 6,200 meals per month, while Section F set out estimated daily requirements of 285 meals per day for Monday through Friday, 80 meals for Saturday, and 85 for Sunday. As a result of JETS' initial protest to the contracting officer the contracting agency re-examined its monthly estimates and amended Section E of the IFB to reflect a monthly estimate of 4,700 meals. However Section F, providing estimates of daily meals, was left unchanged. JETS' contention is that the Section E estimates, as revised, are 23 percent higher than they should be, while the Section F estimates are 100 percent too high.

B-190855

Bids on the revised monthly estimates were opened on December 5, 1977, evidencing prices ranging from the low bid of \$110,940 to a high of \$178,320. JETS was the third low bidder at \$127,230.

When a requirements contract is to be awarded, a contracting agency must specify the estimated quantities to be procured and must calculate this estimate on the best information available. Kleer-Rite Corporation, B-182266, April 1, 1975, 75-1 CPD 190; Union Carbide Corporation, B-188426, September 20, 1977, 77-2 CPD 204. If the procedures used to obtain the data necessary to make quantity projections include the sources of information and types of factors normally relevant, the estimates are considered to be based on the best available information. Trataros Painting and Construction Corp., B-186655, January 18, 1977, 77-1 CPD 37. A challenge to agency estimates normally will not be sustained unless it can be shown that the estimates misrepresent actual anticipated requirements, not based on the best information available, or resulted from bad faith or fraud. Central Price Company, B-179788, January 29, 1974, 74-1 CPD 38, and citations therein.

The Army reports that its monthly meal estimate of 4,700 is based on the approximately 4,000 meals served in fiscal year 1977 plus projected increases reflecting increased recruiting quotas and a new requirement for feeding National Guard recruit applicants. As explained by the Army:

" \* \* To arrive at the estimated figure for this year's contract of 4,700 meals the increase in recruiting quotas for that portion of the year which is presently known to this command plus that portion of the calendar year which has not yet been revealed to the recruiting service has been taken into consideration. It is the estimate of this

B-190853

command, although with very limited knowledge of the future strength requirements of the Army, that recruiting efforts will continue to be at higher levels than for previous years. Therefore, the increase experienced between FY 76 and FY 77 appears to be a valid increase for FY 78. As can be readily recognized, this increase is approximately 500 meals on the average per month. Additionally, it has been indicated to this command that during FY 78 the National Guard for South Carolina and the portion of Georgia which presently comes under the jurisdiction of this command will be incorporated in a full processing mode. It is estimated that once the National Guard starts full processing at AFES, our workload will increase by ten applicants daily. If this increase is realized there should be an increase of about 400 meals during the normal time with a possibility of increase to as high 600 or 700 meals during peak workloads. Again, these estimates must be made without full knowledge, but it has been indicated that these figures should be realistic.

"It should be evident that if the approximate 4,000 meals for FY 77 were used as a baseline and the total difference between FY 76 and FY 77 were added, and the additional meals required by including the total National Guard also added, this would approximate to 5,000 plus meals per month. It is felt that 4,700 is a more conservative estimate."

B-190855

In light of this explanation and in the absence of any contradicting information, we find no basis to conclude that the monthly estimate of 4,700 meals was overstated or not based upon the best information available.

As pointed out above, section F was not amended when the estimates in section E were revised. The Army recognizes that the daily estimates set out in section F should have been reduced proportionally, but points out that bidders were not misled inasmuch as the IFB provided for a single award based upon the prices submitted for section E only - the monthly estimates. We find no basis to conclude otherwise.

The protest is denied.

*R. F. Kimm*  
Deputy Comptroller General  
of the United States